

APTA PRIORITIES FOR SUSTAINABLE GROWTH RATE (SGR) REFORM

POSITION

Physical therapists provide critical health care services to beneficiaries under Medicare Part B to assist individuals remain in their homes, communities and society at their highest possible level of function. The Medicare physician fee schedule is used in claims to report outpatient physical therapy services. Therefore, physical therapists are acutely aware of the threat of annual fee schedule reductions, the cost to repeal the flawed sustainable growth rate (SGR) formula, and its impact on beneficiaries' access to health care providers. As such, efforts to repeal or reform the SGR should reflect the role of both physicians and non physicians for outpatient Medicare services. Congressional action to reform the SGR also should consider permanent repeal of the outpatient therapy cap.

THERAPY CAP

Since the inception of the SGR and the therapy cap in 1997, annual extensions to fix both policies have moved together in the SGR/Medicare extenders package. APTA believes it is imperative to provide a long-term solution to the therapy cap in any legislative effort to reform the SGR. Including therapy cap reform in the larger SGR package will ensure that Medicare beneficiaries will continue to have access to medically necessary therapy services.

ALTERNATIVE PAYMENT FOR OUTPATIENT THERAPY

When the therapy cap was created in 1997, Congress charged the Centers for Medicare and Medicaid Services (CMS) to develop an alternative payment system for outpatient therapy. Aware that CMS had not yet acted on this charge, APTA began leading an effort in 2011 to develop a new payment methodology for these services. APTA has proposed to reform payment for outpatient physical therapy services by transitioning from the current fee-for-service, procedural-based payment system to a per-session system that takes into account severity of a patient's condition

and intensity of services required in a session. This type of payment methodology better reflects the professional clinical reasoning and judgment of the physical therapist, improves patient care, and provides policymakers and payers with an accurate payment system that ensures the integrity of medically necessary services. APTA and other provider groups are currently reviewing this and other proposals through a Current Procedural Terminology (CPT) workgroup set up to recommend a new payment system to CMS. The anticipated start date of the new payment system is January 1, 2015.

MULTIPLE PROCEDURE PAYMENT REDUCTION

As part of the American Taxpayer Relief Act of 2012, Congress increased the current multiple procedure payment reduction (MPPR) applied to outpatient therapy from 20% in private practice and 25% in facilities to 50% in all outpatient settings. Implemented on April 1, 2013, APTA remains concerned that this flawed policy will have a significant impact on therapy payment and patient care, even as the therapy community is actively working to move away from multiple procedure services in the alternative payment system. Additionally, Congress has previously questioned the appropriateness of this policy for therapy given that MPPR is not discipline specific (a physical therapist payment may be reduced if a patient sees an occupational therapist in the same day) and that therapy codes were originally valued to account for the efficiencies of the multiple procedures a therapist provides on a given day of treatment. The increased MPPR to 50% will result in a 7%* cut for outpatient therapy reimbursement. Coupled with the previous 7% reduction in payment from the original MPPR in 2011 and the 2% sequestration cut, the cumulative reductions equate to a considerable impact for therapy services which will ultimately affect patient access and care. APTA urges Congress to delay the 50% MPPR until a new payment system can be implemented.

*Based on an average therapy visit. MPPR reductions may be higher in some practices.

